

INTERNAL Q/A on NEW Enrollment Process for the Federally Facilitated SHOP

What's changing in the SHOP enrollment process?

Small employers and their employees seeking coverage through the Federally Facilitated SHOP Marketplace will apply and enroll through an agent, broker, or directly with an issuer of a SHOP Marketplace plan (QHP) that has agreed to conduct Federally Facilitated SHOP enrollment according to HHS requirements. This process, known as "direct enrollment" is similar to the process many small employers have traditionally used to get insurance for their employees.

Small businesses in any state that is running its own SHOP Marketplace will need to follow that state's application and enrollment process. HealthCare.gov will direct those employers to the correct website to apply.

Why is CMS making this change?

We're offering this offline process to allow small employers to get the benefits of the SHOP Marketplace coverage quickly, while we continue making improvements to HealthCare.gov.

Will employers still be able to enroll in coverage that takes effect January 1? Has CMS contacted brokers to ensure that employers can get through the process for Jan 1?

The plan we are announcing today ensures that small employers will be able to enroll in coverage by December 15 for coverage to take effect on January 1. Agents and brokers are essential to making this happen. We frequently work with agents and brokers assisting consumers with Federally Facilitated SHOP enrollment to ensure they can provide assistance to small employers, and we will provide ongoing technical assistance to this community.

When will employers be able to apply and enroll in the Federally Facilitated SHOP online?

We plan to offer online enrollment capability by November 2014, for coverage that takes effect in January 2015. This is also when we begin offering employers the option to offer their employees a choice of Qualified Health Plans in FF-SHOPs, along with premium aggregation services that make it possible for small employers to make a single monthly payment to insurers, no matter how many plans their employees have enrolled in.

You said SHOP online functionality would be ready in November 2013. Why the delay until November 2014?

We've concluded that we can best serve small employers by continuing this offline process while we concentrate on both creating a smoothly functioning online experience in the SHOP Marketplace, and adding key new features, including an employee choice option and premium aggregation services, by November 2014.

How does “direct enrollment” work for the Federally Facilitated SHOP Marketplace?

Employers go directly to an agent, broker or to an insurance company with plans certified by the Marketplace. The insurer must agree to offer direct enrollment in SHOP coverage and to conduct enrollment according to HHS requirements.

The agent, broker or insurer will help the employer fill out a paper application for SHOP eligibility and send it in to the SHOP Marketplace. The issuer can also provide employers with a premium quote, and enroll employees.

If the SHOP later determines that an employer is ineligible to participate in the SHOP Marketplace, the employer could lose the SHOP Marketplace coverage and the Small Business Health Care Tax Credit. We consider this outcome unlikely because the eligibility criteria for SHOP is relatively straightforward and not unduly burdensome.

Does this mean that small employers don’t need to go to HealthCare.gov at all?

Employers can’t apply for SHOP eligibility or enroll in SHOP coverage on HealthCare.gov at this time.

However, they can go to HealthCare.gov to view plan and pricing information to help them choose a plan and insurance company.

Since October 1, HealthCare.gov has offered information about the SHOP plans available where their business is located, including a variety of scenarios showing estimated rates based on age and family composition for a hypothetical group of employees.

And as of Dec 1 (tentative), employers may go online and enter the ages of their employees to get more precise premium information to help them determine what plan they would like to offer their employees. Employers will be able to compare up to 3 medical plans at a time when making this important decision. Finally, in the coming weeks, HealthCare.gov will be adding a calculator to estimate how much an employer could receive from the expanded Small Business Health Care Tax Credit available only through SHOP beginning in 2014.

In order to claim the expanded Small Business Health Care Tax Credit in 2014, an employer must receive an eligibility determination from SHOP by completing a paper application available on HealthCare.gov. An official notification will be sent by the SHOP to qualified employers after we receive a completed application. We will also send employee enrollment information to the IRS to ensure you can claim the tax credit as early as tax year 2014.

Employers can offer coverage through the SHOP Marketplace at any time during the year.

Without access to all the promised online functions on HealthCare.gov, why should a small employer seek coverage through the Federally Facilitated SHOP Marketplace at all?

Eligible employers who enroll in SHOP Marketplace coverage in 2014 will have access to the expanded Small Business Health Care Tax Credit. Through 2013, this tax credit is worth up to 35 percent of employer contributions to premiums for self-only coverage; starting in 2014, businesses can claim up to 50 percent. This tax credit helps alleviate the financial hardship smaller employers often face when providing employer-sponsored coverage. Since the credit was created by the ACA in 2010, employers have seen over \$1 billion in benefits from this tax credit alone. Again, for tax years starting in 2014, this credit will be available only for coverage purchased through the SHOP.

Coverage in qualified health plans offered to employees through direct enrollment with an issuer would be considered to be “enrollment through SHOP Marketplace” for the purposes of eligibility for the tax credit, because they are offered by an employer who was determined eligible by the SHOP Marketplace.

The SHOP Marketplace will communicate small employer’s SHOP QHP enrollments to the IRS so that eligible employers can apply for the expanded Small Business Health Care Tax Credit on their annual tax returns.

If I submit a paper application, by myself or through an agent, broker or issuer, how will I hear back and when will I know about my eligibility?

The Federally Facilitated SHOP Marketplace will notify applicants of their eligibility by phone and e-mail, as well as by mail if requested. Employers who have already submitted an application in October or November should receive an eligibility notification in early December, along with information about next steps. Moving forward, the SHOP Marketplace expects to notify applicants of their eligibility within 3-5 days of receiving a fully completed application either from the employer or from an issuer, agent, or broker. By using “direct enrollment” an employer doesn’t need to wait for an eligibility determination from the SHOP Marketplace before enrolling in a qualified health plan.

What happens if I, as an employer, have eligibility issues?

If the SHOP Marketplace can’t determine whether your business is eligible, we will contact you to resolve any outstanding issues. If we are still unable to resolve these issues, your application may be rejected and you’ll be invited to apply again for the next month. If you’re deemed ineligible for the SHOP Marketplace based on your application, you’ll have an opportunity to apply again for the next month or to appeal the decision within 90 days of receiving your ineligibility notification.

How can I find an agent or broker to help me with my application?

State Departments of Insurance and national agent and broker trade associations may have search functions to connect employers with local agents and brokers in their area. We are also

working on making it easier for employers to find local agents and brokers using Healthcare.gov.

What happens if there isn't an agent or broker available to help me?

Small employers can get assistance directly from an insurance company selling a SHOP qualified health plan. They can also call the SHOP Small Employer Call Center at 1-800-706-7893 between the hours of 9am – 7pm Eastern Time. A Marketplace Navigator or other assister can also provide information about the SHOP or provide help filling out an application, but can't complete a SHOP enrollment.

When will small employers be able to see plan data so they can make specific plan choices for their employees?

As of Dec 1 (tentative), small employers may enter the ages of their employees and see premium amounts for their employees. Employers may also receive exact premium quotes for employees and dependents when they contact a broker or are in direct contact with an insurance company authorized to sell SHOP qualified health plans to employers.

Earlier, employers were told they needed to create an online account before applying for SHOP eligibility. If an employer already created an online account what happens to that account?

Employers who already created an online account will be able to access that account as soon as the Federally Facilitated SHOP Marketplace is able to offer users the ability to enroll in coverage online.

What if a provisional eligibility determination is wrong? Would employees lose their SHOP coverage?

As explained above, we consider such a situation unlikely. However, if the SHOP Marketplace finds that an employer is not eligible for the SHOP Marketplace, the employees will not be able to keep their SHOP QHP coverage. The insurance company can work with the employer to find another plan, and employees will be provided information about the Individual Marketplace from their employer and the SHOP.

What tools and functionality are available online at HealthCare .gov now for small businesses?

Right now small employers who want to buy insurance through the Federally Facilitated SHOP Marketplace can review available medical and dental plans in their area, download the paper application online, get step-by-step instructions on how to fill it out, and mail it in for processing.

Where can a small employer get more information or help filling out the Federally Facilitated SHOP application?

Small employers who need further information and assistance can work with an agent, broker or go directly to an insurance company with plans certified by the Federally Facilitated SHOP Marketplace. They can also call the SHOP Small Employer Call Center at 1-800-706-7893 between the hours of 9am – 7pm Eastern Time.